



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Deadline: Forfeiture Reporting
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1. Deadline: Forfeiture Reporting

December 20th is the deadline for law enforcement agencies to report final disposition of property seized subject to forfeiture for the month of November. To report final disposition of forfeitures, please go to:

<https://www.auditor.state.mn.us/safes/>.

2. Update: Volunteer Fire Relief Association Working Group

The Volunteer Fire Relief Association Working Group met on December 2. The Group reviewed draft language that would require special fund disbursements paid by check to be signed by the relief association treasurer and at least one other trustee who is designated by the board of trustees. The draft language also permits electronic payments as long as policies and procedures are established that provide for authentication of the disbursement.

The Group also discussed several matters related to the flexible service pension maximums for defined benefit plans, including how the maximums are calculated and the penalty for paying a pension using a benefit level above the statutory maximum.

The next meeting of the Working Group will be Monday December 8 at 11:00 a.m. at our 525 Park Street office in Saint Paul. Meetings are open to the public. Working Group meeting materials are available at:

<http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>

3. Update: Fire State Aid Forfeiture Deadline

The Office of the State Auditor is pleased to announce that, for the first time in eight years, all volunteer fire relief associations submitted their 2013 reporting-year forms prior to the forfeiture deadline on November 30. State law requires automatic forfeiture of fire state aid for relief associations that do not file all reporting information by November 30.

We would like to thank the relief association trustees, municipal officials, auditors, investment brokers, the Minnesota State Fire Chiefs Association, and members of the OSA Pension Division team, who worked right up to the deadline to ensure that reporting forms were submitted.

4. Avoiding Pitfalls: Segregation of Duties 1

When employee responsibilities are arranged so that the work of one employee is checked by another, it is called “segregation of duties.”

Ideally, no single official or employee should be able to:

1. Authorize a transaction;
2. Record the transaction in the entity’s books; and
3. Obtain custody of the item resulting from the transaction.

Examples of incompatible duties that should be performed by separate individuals include:

- Receipting collections, posting collections to registers, and making bank deposits; or
- Signing checks and reconciling the bank accounts.

To put it another way, a person should not be in a position to commit an irregularity and cover it up.

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